

Memorandum

TO: Public Safety, Finance and Strategic Support Committee
FROM: Sharon W. Erickson, City Auditor
SUBJECT: *Monthly Report of Activities for January 2012*
DATE: February 7, 2012

RECOMMENDATION

Approve the Auditor's Office Monthly Report of Activities for January 2012.

SUMMARY OF RESULTS

Charter Section 8.05(e) requires the City Auditor to submit a monthly report to the City Council of our activities, findings, and recommendations. This report summarizes reports issued, other activities, assignments in process, and the status of the City Auditor's Fiscal Year 2011-12 Work Plan during the month of January 2012.

Audit Reports Issued During the Month of January:


- 1. Citywide Open Purchase Order For Office Supplies** – This was one in a series of audits of large contracts designed to confirm that the City is getting the service that it is paying for and/or the revenues to which it is entitled. Our report made 5 recommendations and was presented at the January 26, 2012 meeting of the Public Safety, Finance and Strategic Support Committee. It is tentatively scheduled to be presented at the February 14, 2012 City Council meeting.
- 2. Team San Jose Convention Center Performance and Convention Visitors Bureau (CVB) Activities** – We determined whether Team San Jose met its performance metrics and other key requirements in the management agreement between the City and Team San Jose for the fiscal year ended June 30, 2011. We also reviewed the cost and services provided through the CVB agreement between the City and Team San Jose. Our audit made 4 recommendations and was presented at the January 26, 2012 meeting of the Public Safety, Finance and Strategic Support Committee. It is tentatively scheduled to be presented at the February 14, 2012 City Council meeting.
- 3. Information Technology General Controls** – Due to the City's reliance on computer systems for its key business systems and due to resource reductions in the Information Technology Department, we audited information technology general controls. Our report made 11 recommendations and was presented at the January 26, 2012 meeting of the Public Safety, Finance and Strategic Support Committee. It is tentatively scheduled to be presented at the February 14, 2012 City Council meeting.

Assignments in Process:

- 4. Police Department Secondary Employment** – To assess the cost and effectiveness of the program.
Project Status: Report writing in process.
Anticipated Release Date: March 2012.
- 5. Fire Department Performance Measures** – The City Auditor reports on City government performance through the annual *Service Efforts and Accomplishments Report*. In September 2009, the office issued *Performance Management and Reporting in San Jose: A Proposal for Improvement* including recommendations to improve data quality. This project will assess the accuracy and reporting of selected performance measures in the Fire Department.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 6. Environmental Services Department Funding and Staffing** – Staffing and management audit of ESD, with special focus on how ratepayer funds are used.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 7. Water Pollution Control Plant Rehabilitation** – Review of opportunities to reduce the cost of the project, expedite the project, and create savings for ratepayers.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 8. Coordination of External Audit Work** – Identify other agencies' audits of City programs, the audit scopes, and any open audit recommendations.
Project Status: Fieldwork in process.
Anticipated Release Date: TBD.
- 9. Fire Department Disability Rates** – Evaluation of workplace injuries and assessment of timeliness of treatment and recovery (follow-up to previous disability retirement and workers' compensation audit reports).
Project Status: Preliminary Survey in process.
Anticipated Release Date: TBD.
- 10. Impact of Staffing Reductions** –the impact of voluntary separations, layoffs, and bumping on the City's capacity to effectively manage its operations, including the loss of employees with special or technical competence.
Project Status: Preliminary Survey in process.
Anticipated Release Date: TBD.

Information on the status of the City Auditor's FY 2011-12 Work Plan is attached. On behalf of the Auditor's Office, I would like to express my appreciation to City staff for their cooperation and assistance during our reviews.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sharon W. Erickson".

Sharon W. Erickson
City Auditor

SE:bh

Attachment: Status of the City Auditor's FY 2011-12 Work Plan

**Status of the City Auditor's FY 2011-12 Work Plan¹
as of January, 2012**

	Preliminary Survey	Risk Assessment	Audit Field Work	Report Writing	Projected Issuance Date ²
Assignments Completed					
City Open Purchase Orders for Office Supplies	Completed	Completed	Completed	Completed	January 2012
Team San Jose Convention and CVB Activities	—	—	Completed	Completed	January 2012
Information Technology General Controls	Completed	Completed	Completed	Completed	January 2012
Annual Service Efforts and Accomplishments	—	—	Completed	Completed	December 2011
External Audit and Single Audit	—	—	Completed	Completed	December 2011
Form 700 Filers	Completed	Completed	Completed	Completed	November 2011
Annual Audits of Bond and Parcel Tax Measure	—	—	Completed	Completed	November 2011
Semi-annual Compliance Reviews of City's Investment Program	—	—	Completed	Completed	November 2011
Airport Service Level Performance Measures	Completed	Completed	Completed	Completed	October 2011
Recommendation Follow-up Report (June 30, 2011)	—	—	Completed	Completed	October 2011
Traffic Citation Revenue	Completed	Completed	Completed	Completed	August 2011
Recovery Act Funding	Completed	Completed	Completed	Completed	August 2011
Assignments In Process					
Police Department Secondary Employment	Completed	Completed	Completed	In Process	March 2012
Fire Department Performance Measures	Completed	Completed	In Process		
Environmental Services Department Funding and Staffing	Completed	Completed	In Process		
Recommendation Follow-up Report (December 31, 2011)	—	—	In Process		
Water Pollution Control Plan Rehabilitation	Completed	Completed	In Process		
Coordination of External Audit Work	Completed	Completed	In Process		
Fire Department Disability Rates	In Process				
Impact of Staffing Reductions	In Process				
Assignments Not Yet Started					
Fire Prevention					
Deferred Compensation					
Santa Clara County Cities Association					
Overhead Reimbursements					
Consulting Agreements					
Housing Programs					
Cardroom Oversight					
Annual Financial Scan of CBOs					

¹ The approved work plan is on the web at www.sanjoseca.gov/auditor/workplan.asp

² Projected Issuance Dates are usually six weeks after Report Writing is completed to accommodate exit conferences, draft report revisions and a three week allowance for the administration to prepare a written response. For the Assignments Completed, the date shown is the actual month of report issuance.